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# Spotlight

## ON FOREIGN MARKETING



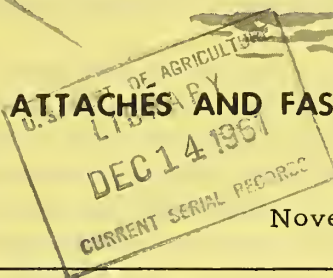
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VOL. V, No. 9

TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS



November 29, 1961

### STATEMENT BY SECRETARY FREEMAN ON MARKET DEVELOPMENT.

Editor's note: Secretary Freeman's trip around the world in October and November allowed him to see for the first time USDA's market development work in Asia and to see additional aspects of the work in Europe. Among his numerous contacts with the program was a day spent at the meeting in India of Western Wheat Associates' country directors and top U. S. leaders. (See Spotlight Vol. V, No. 6, Sept. 1, for stories on his earlier trip to Europe to open the London Trade Center and his meeting while there with European cooperators.) The Secretary gave Spotlight the following statement on his observations:

"My recent world tour took me to 10 countries in 5 weeks. These countries represent every type of market for U. S. farm products, ranging from hard currency, commercial markets such as West Germany and Japan, to soft currency markets where Title I, Public Law 480 sales predominate, such as Pakistan, India and Indonesia. In between these ranges are countries such as the Philippines, where both commercial and P. L. 480 sales are taking place. Our market development program must, and does, take account of all these markets.

"The value of market promotion and development work in dollar markets such as Germany and Japan is, I think, self evident. These markets are highly competitive, and we must strive continually to increase the acceptability of American products through improvements in quality, packaging, and service rendered. This was the purpose of the American exhibit of agricultural products which I opened in Hamburg, Germany, on November 10. I was impressed with the wide variety of American products displayed at the Fair and the evident interest in the exhibit shown by those attending the Fair.

"My observations on this trip convinced me that food and fiber are an essential part of our economic aid to developing countries.

"Market development work is needed in these developing countries, too, for the purpose of assuring that the products supplied under P. L. 480 are acceptable and are used effectively. Trade groups, such as Western Wheat Associates, cooperating in the market development program, are performing a useful job in servicing P. L. 480 sales in several countries. Commodities supplied under P. L. 480 can accelerate economic growth in recipient countries and thus hasten the day when they will achieve higher levels of living and become dollar markets."

LIMA FAIR 1961. Over 600,000 persons visited the United States exhibit at the second Pacific International Trade Fair held in Lima, Peru from October 12 thru 29, 1961. A gold medal was awarded to the U. S. pavilion -- a joint Agriculture-Commerce venture -- by the Peruvian Government for the best pavilion in the fair.

Helping to make the agricultural exhibit a success were Great Plains Wheat Inc., the Soybean Council of America, and the National Renderers' Association. The wheat exhibit included (1) a replica of a model school lunch room currently in operation in Lima, to which 100 children and teachers were taken each day to be fed a balanced meal featuring bulgur wheat, (2) a mobile nutrition trailer for use throughout Peru; and (3) a donut and pancake shop, which has now been set up as a commercial venture in Lima. The soybean exhibit included displays featuring the human nutritional value of soybean products, food products obtainable in Peru containing soybeans and a demonstration kitchen from which samples of cakes and bread containing soya flour were handed out to the public. Soap made from U. S. tallow was also featured. The soap exhibit included a display of hand soaps from around the world, bubble machines to attract attention to the exhibit and in addition, sample bars of soap were handed out.

Dignitaries visiting the Agricultural Exhibit were President and Mrs. Prado, Under Secretary of State Chester Bowles; James Symington, Deputy Director of Food for Peace; Ambassador and Mrs. Loeb; and Miss Universe.

AUSTRALIA'S FOOD PROMOTION IN U. K. A description of how Australia teamed up with a grocery chain in the U. K. to promote Australian foods is given in the attached supplement sent us by Elmer Hallowell. It may suggest new ideas to Spotlight readers as well as illustrate the high quality of our competitors' promotion. Attaches are requested to forward similar articles describing promotion efforts by foreigners taking place in host countries.

GREAT PLAINS WHEAT, INC., SPONSORS MOBILE NUTRITION PROGRAM IN PERU. Great Plains Wheat, Inc., in cooperation with the Peruvian Ministry of Education, has initiated a mobile nutrition education program in Peru.

Harlan Parkinson, Great Plains Wheat's Director in South America, explained: "The program will teach preparation of foodstuffs and nutrition education to future teachers at universities throughout Peru. These teachers will then carry the information to all areas ... and enable us to reach the mass of Peruvians ..."

With Section 104(a) funds, Great Plains Wheat furnished the two mobile units (which resemble medium sized home trailers), trained the operating personnel and will supply the personnel to staff the units and pay operating costs.

Each unit is entirely self-contained, generating its own electricity, carrying its own water supply, projection and sound equipment, and sleeping quarters for the occupants. Also included is a modern kitchen and a kitchen representative of the typical Peruvian household.

A similar program has been launched in the Sao Paulo province of Brazil by Great Plains Wheat in cooperation with the Brazilian Pasta Manufacturers Association. These are the third and fourth countries in which motorized demonstration units have been used by wheat cooperators, the other two being Japan and India.



HOLD NUTRITION WEEK FOR FIGHTING BULL. The first international week on nutrition of the fighting bull, held at Salamanca, Spain, September 17-21, was a tremendous success.

Representatives of the livestock division of the Ministry of Agriculture attended in force.

Posters advertising the event were widely distributed, and stories covering the meeting were carried in the newspapers and trade press.

Bull breeders, who had looked on the meeting as a "Madison Avenue stunt" to increase the sale of soybean products, changed their minds and were asking for copies of the proceedings before the meetings were over.

The Soybean Council was officially requested to organize a meeting of this type every year.

HELPING FOREIGN BUYERS GET THE WHEAT THEY WANT. The market development task force stressed that foreign market development effort must be made on the home front as well as abroad. Current developments in wheat offer an encouraging illustration. Constant effort to improve wheat quality in the U. S. has resulted in significant shifts in the primary producing areas toward better varieties. In 1956 the USDA began to apply discounts in the price support program to those wheat varieties considered as undesirable in quality. At that time, 17 of these accounted for almost 7 percent of the national acreage. By 1961, 37 varieties were judged to be undesirable, the increase being due to increasingly high standards of quality and the successful efforts of plant breeders in developing new varieties as replacements for older less desirable varieties.

The last complete variety survey was made in 1959 at which time the national acreage devoted to the undesirable varieties had fallen to 1.19 percent.

Although the presence of wheat of the undesirable varieties does not constitute the problem in shipments that it once did, small accumulations in carry-over stocks and occasionally in current supplies unfortunately permit some of the undesirable varieties to enter commercial channels. Since it is impracticable for foreign buyers to order on the basis of variety, the Department recommends the sedimentation test in those cases where these buyers need a wheat of good baking quality. AMS will issue federal certificates showing sedimentation value upon request of foreign buyers. For example, Spinkota, a spring wheat, and one of the discount varieties, has a significantly lower sedimentation value at any given protein level than the recommended varieties.

In addition to the problem of poor varieties affecting the quality of U. S. wheat there is the bigger problem of poor quality due to the production of hard wheat in areas not adapted to good quality bread wheat production regardless of the variety being grown. The sedimentation test is the only practical means of overcoming this problem also. (See Spotlight Vol. V, No. 7, Oct. 11, for additional information on use of the sedimentation test.)

NEW BEEF BREEDING CATTLE PROJECT IN LATIN AMERICA. The Eastern Brahman Association of Kissimmee, Florida has entered into an agreement with FAS for the purpose of developing new markets in Latin America for beef breeding cattle. Initial efforts will be directed toward increasing sales in Venezuela, Mexico, Colombia, Costa Rica, and Guatemala.

PUPPET SHOWS -- A NEW MARKET DEVELOPMENT TOOL. Part of the Great Plains Wheat Exhibit at the Second Pacific International Trade Fair at Lima, Peru consisted of a replica of a school lunchroom. Each day during the fair two different groups of school children and a group of teachers were brought to the exhibit to observe the school lunchroom operation and to participate in a typical meal.

To get over the story of nutrition, sanitation and the general school lunchroom program to young children, a puppet show was introduced into the exhibit. A local TV puppeteer was hired to put on a puppet show for the children and the group of teachers each day. Additional shows were put on for the general public. The props included a small booth which held a stage and hand puppets, a tape recorder, and public address system. A script was developed in Spanish containing songs and different variations of the nutrition, sanitation and uses-of-wheat theme.

This puppet show proved successful in holding the attention of the school children. Great Plains Wheat intends to continue using this puppet show in its school lunchroom program as it expands.

At the big Hamburg show this year puppets were used as a major attraction. The show was done by the Washington (D.C.) TV producers of "Sam and Friends." This technique overcame the language barrier by the use of pantomime and shows the potential of this medium for multi-country use.

JAPAN -- A NEW POULTRY MARKET. FAS entered into a cooperative project with the Institute of American Poultry Industries for the purpose of introducing and expanding the market for U. S. poultry and poultry products in Japan. This work will be carried on with special assistance from the office of the Agricultural Attache in Tokyo.

Among the third party cooperators will be the Japan Poultry Association, leading trade organization of Japanese poultry producers, wholesale-distributors, and retailers. At least a half-dozen sample shipments of U. S. frozen poultry have either arrived, or are en route to Japan. The Institute work will kick-off with a modest program geared to TV and radio, in-store demonstrations, advertising, and educational work.

U.S. TRADE GROUPS COOPERATE IN PAID EXHIBIT. Five U. S. cooperators with the encouragement of Attache George Parks made market development history when they jointly participated in staging an exhibit at the International Food and Beverage Fair held at The Hague September 8-17. Several cooperators have had individual exhibits and occasionally two cooperators have worked jointly at trade fairs, but this is the first example of large scale cooperation. Joining hands in this endeavor were the Institute of American Poultry Industries, Great Plains Wheat, Inc., U. S. Rice Export Development Association, the Soybean Council and the Florida Citrus Commission. U. S. products displayed included poultry, wheat, soybeans, rice and citrus fruit as well as derived products. More than 71,000 attended the display. Climax was a barbecue party for 250 special guests of the 5 participating American organizations at which 500 half chickens were served.

Activities were under the direction of L. Van der Velden, Benelux Director for the Institute of American Poultry Industries.



NEW FIRM TO STRESS IDENTITY PRESERVED SOYBEANS AND GRAIN SHIPMENTS. The old problem of inability to buy soybeans and grain by variety on the basis of the regions in which they are grown will be tackled anew. One of the big Japanese companies long active in the U. S. market has joined with a U. S. firm in a venture to purchase and store corn and quality soybeans at U. S. country points for direct shipments from those points to both Japan and Europe. They already have one large elevator and plan to acquire other storage along the Illinois and Mississippi rivers.

The Japanese use our soybeans for both food and oil. Commingling at U. S. elevator has made it impossible to buy desired varieties of soybeans without expensive sacking. The new firm hopes to handle variety preserved soybeans in bulk direct from growing areas.

U. S. SOYBEAN OIL SOLD TO IRAN FOR DOLLARS. Iran has purchased 360 metric tons of soybean oil for dollars -- its first dollar purchase. With the help of Dr. Thomas Mortimer Gilkison, Soybean Council oil technician when in Iran, the importer plans to increase the use of soybean oil in the manufacture of margarine. Here's a small but solid instance of where an American farm product, initially introduced under Title I of P. L. 480 shows promise of becoming a dollar item with the assistance of our market development cooperators. The soybean Council opened an office in Iran about a year ago.

EXPERIMENTAL SMALL EXHIBIT PROGRAM A SUCCESS. Four of FAS's five experimental small exhibits scheduled for this year have been completed. Key to this experiment was the inclusion of several exhibits under one design contract, thus minimizing the planning and contracting time required. The experiment involved reuse of portions of the 1960 London and Munich exhibits which had been made in modular form and stored so that they could be easily remounted.

Commodities included in one or more of these experimental shows included poultry, citrus juice, rice, instant nonfat dry milk, and raisins.

The fairs in which these exhibits were shown included:

St. Eriks International Fair	Stockholm	304,000 visitors
Food Cookery and Catering Exhibit	Manchester	100,000 "
Woman and Home Show	Copenhagen	130,000 "
Hotel and Restaurant Fair	Stuttgart	100,000 "

The last show in the series opened in Accra, Ghana, on November 27. This will be the Department's first trade fair exhibit in Africa, south of the Sahara.

The Trade Fairs Division feels that combining several similar shows under one contract saves a great deal of time and effort on the part of both Government and industry people involved in these international undertakings. The reuse of portions of the Munich exhibit, though advantageous in a number of respects did not involve a significant financial saving because of off-setting freight costs. The over-all experiment was so successful that a modified version of this same approach will be used in connection with a series of larger exhibits in Europe in 1962.

NEW STANDARD AGREEMENT LANGUAGE. Trade Projects Division has drafted new language for use in cooperator agreements. Principal changes from language previously used involve language on financing, property, and non-discrimination provisions. The new language aligns cooperator agreements with recent changes in funding and administrative regulations.

TITLE 11 REVISIONS. Revisions of Chapters 1-4 of FASR 11 should be coming off the press in a couple of weeks. Revisions which reflect changes recommended by the Task Force have received final approval in FAS/Washington and have been sent forward for reproduction.

FAS PROJECT FOR LIVESTOCK JUDGES IN LATIN AMERICA. FAS has entered into a project for sending livestock judges to participate in the more important livestock exhibitions in Chile, Colombia, Ecuador, Panama and Peru between September 1, 1961 and June 30, 1962. One to three judges will be sent to these countries.

The local livestock organizations in each country sponsoring expositions will defray the expenses of the livestock specialists during their stay in the country.

AFTERMATH OF THE HAMBURG FAIR. The U. S. Food Fair 1961 -- largest U. S. food show ever presented overseas -- closed in Hamburg, Germany, November 19 after scoring a pleasing success. The 10-day show attracted more than 160,000 consumers and trade representatives, and attendance would have been larger had facilities permitted. Although the exhibit was by far the largest ever sponsored by FAS (more than 70,000 square feet), it was confined to one building and gates had to be closed repeatedly to control the crowds.

The exhibit provided convincing evidence that a well-planned solo exhibit, supported by all-out promotion program, will draw crowds in a major European city. The advertising program used a variety of techniques, including full-page newspaper ads, billboards, house-to-house brochures, department store window displays and a variety of others. Press, radio, TV and newsreel coverage surpassed expectations.

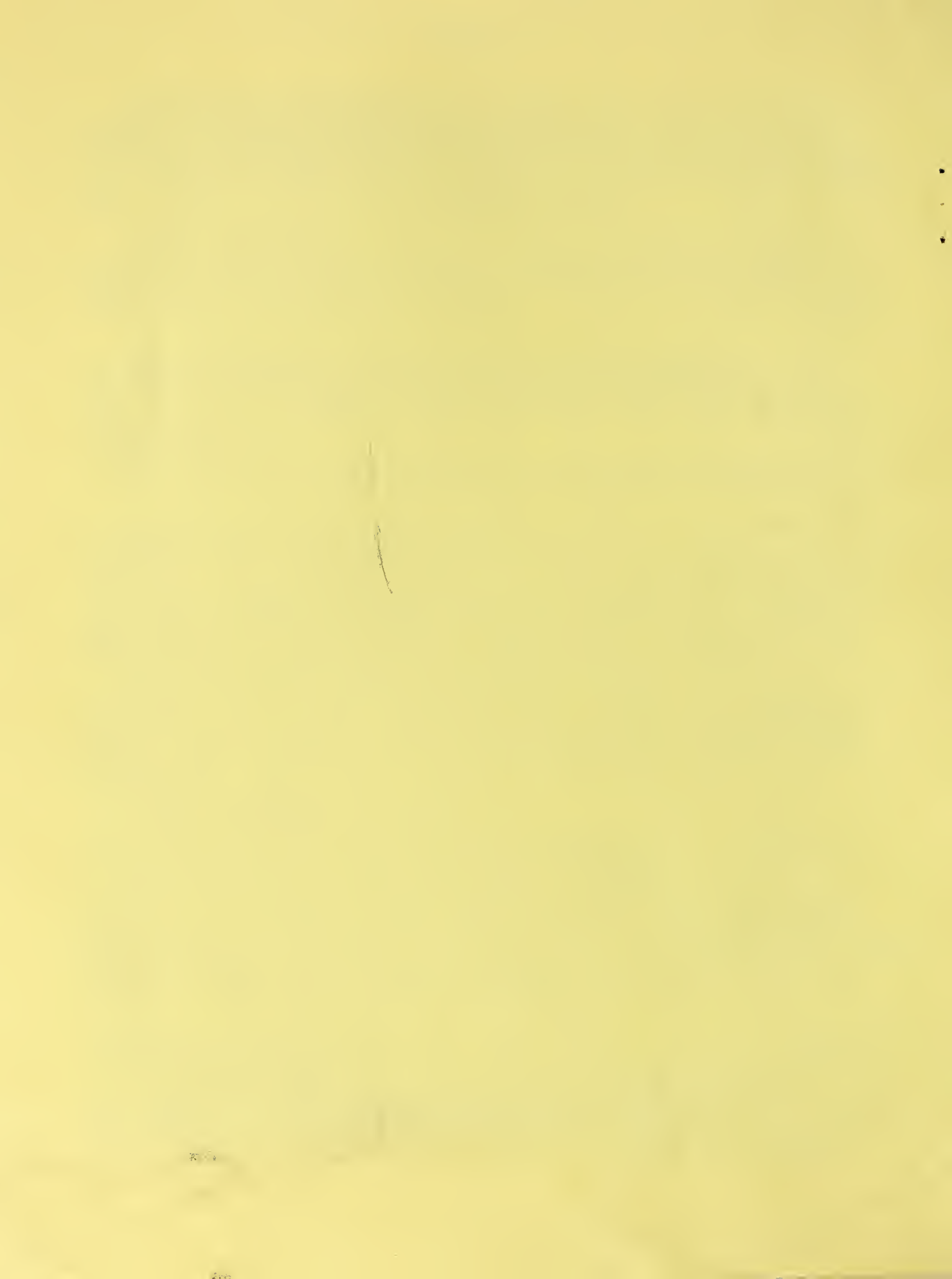
A small supermarket or "Superette" sold out its total stock of processed foods, and the American restaurant was packed every day. Poultry sales were so heavy, supplemental supplies had to be brought in by air.

Commercial exhibitors participating in an FAS exhibit on a major scale for the first time, reported tremendous consumer and trade interest and immediate book orders of more than \$250,000. Trade receptions led to more than 2,000 business contracts for commercial firms and U. S. market development cooperators, but crowd congestion was a problem for European traders desiring to visit the exhibit, indicating a need for special trade days at future solos.

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\* SEASONS GREETINGS \*  
\* We take this opportunity to extend to you, one and all, our very best \*  
\* wishes for a happy and joyful Christmas season and a prosperous \*  
\* New Year. From the Spotlight Staff FAS/Washington. \*  
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AUSTRALIAN PROMOTION IN THE U. K.

The following article appeared in  
"The Grocer," British trade magazine  
of September 16, 1961

Measuring the success of a manufacturer-retailer promotion is difficult. Statistics are not available and it is virtually impossible to assess -- in cash profit -- the benefits to the participants.

The results in unit sales are often given, and they indicate the thought achieved by special effort, but how much money is involved is very often another question.

In July, VG Services launched a fortnight promotion, throughout their 2,000 retail shops, under the Jolly Swagman label. The idea was to sell Australian from July 10 to 22.

The results of the promotion were partly analyzed at an Open Inquiry in London on Tuesday, where film, electrically lit captions and tape-recorded dialogue were used to bring home the success of the fortnight.

WORTHWHILE RESULTS

That it was a success there is no doubt. It proved that retailers in a voluntary chain can co-operate to achieve selling results that are really worth while. But it must be pointed out that other chains have been promoting nationally very successfully - for some time. This operation underlined these successes.

The PR Campaign that supported the promotion cost £17,500. What the contribution was from Australia House and from VG was one question unanswered at this inquiry.

However, it probably would not be unfair to say that Australia provided a lot of the money and VG provided a lot of the work.

£150,000 SOLD

The result was £150,000-worth of Australian products sold in VG shops during these two weeks. This meant 1-1/2 million unit sales, or 285 individual purchases made every minute during the promotion.

At this stage it should be said that the main result from the promotion, so far as VG was concerned, must be the degree of co-operation between wholesalers and retailers. This fortnight must have done a great deal to seal the bonds of supplier-retailer relationship.

It probably did a great deal to project the VG image to the public. And it most certainly did the same for Australian products.

### AUSTRALIA SATISFIED

Australia House officials who were present at the inquiry commented that they were well satisfied with the results. As an organization they are pledged to project the Australian image on behalf of the various boards and the UK exporters they represent. Many organizations here are able, therefore, to tap this financial source for promotions.

But to promote, selling machinery and co-ordinated planning is essential. The chains are now proving that they have these promotional assets. Perhaps not yet to the degree that some multiples have -- but as a selling force they are becoming more and more accepted by manufacturers and suppliers.

Mr. Eric Isard, from the VG central office, outline some of the facts about the promotion.

"The key to the success of this promotion was in its planning," he said. "It was, in fact, seven months of hard planning and organization of a committee of 12 representatives from Australia House and VG.

"During this period, not only was the theme of the promotion decided, the amount of expenditure agreed, but the display material itself was designed and produced. The display material formed a complete pack for each retail member."

Advertising media included, banners, display cards, shopping bags, and traveling Australian girls in decorated cars, as well as, TV, radio and press services. Featured commodities included butter, cheese, dried fruit, canned fruit, and canned meat.

All in all for the 2,087 VG shops, over 210,000 pieces of display material were produced.

Besides press and TV advertising and the display material 500,000 leaflets were put through 500,000 letter boxes and 9,000 window bills were displayed to catch the eye.

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